

## Response to Retirement Work Group Questions

**Request By:** John Niemiec

**Question:** What is the total annual cost of the pre-Social Security supplement?

**Response:** The total of the annual payments made to retirees for the supplement was last estimated in FY 2016 at approximately \$36 million. However, that amount does not translate directly to the cost to the General Fund, as a significant portion of retiree benefit payments are funded by accumulated investment earnings.

The actuary for the retirement systems has provided an analysis of the impact to the employer contribution rates if the pre-Social Security supplement were eliminated for new hires only, which provides an estimate of the cost of the supplement. The results of that analysis were included on slide 47 of the [retirement system review presentation](#) to the Board of Supervisors at the October 3, 2017, Personnel Committee meeting. The chart below shows the impact on the employer normal cost for employees who are hired under retirement plan provisions that eliminate the pre-Social Security Supplement. The General Fund savings that would result from such a change, when fully implemented based on current payroll, would be approximately \$3.7 million.

